


MISSOURI FINANCIAL ACCOUNTING MANUAL

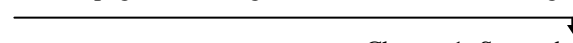
SECTION: REVISIONS

SUBJECT: REVISIONS TO ACCOUNTING MANUAL

PROCEDURE NO: REV-002

F. Publishing Changes

The preferred method of updating this manual is to consolidate and publish a single manual revision to be mailed to the district in the spring, prior to the next fiscal year, to become effective the subsequent fiscal year. Current year changes may be mailed as needed. Published changes to text will be indicated in the right-hand margin with a vertical bar. 

The revision date will be indicated on the page containing revised text in the lower right-hand corner as in this example: 

Change 1 - September 15, 1997

G. Posting Changes

Changes will be distributed as complete page revisions. Thus, the manual holder will only be required to remove, replace, or add pages.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING

SUBJECT: GENERAL LEDGER ACCOUNT DESCRIPTIONS

PROCEDURE NO: CDE-404

<u>CODE</u>		
<u>CLASS</u>	<u>DETAIL</u>	<u>DESCRIPTION</u>
1520		<u>Buildings</u>
1521		<u>Buildings and Remodeling</u>
1530		<u>Construction In Progress</u>
1531		<u>Construction In Progress</u>
1540		<u>Equipment</u>
1541		<u>Furniture</u>
1542		<u>Classroom Instructional Apparatus</u>
1543		<u>Vehicles</u>
1544		<u>School Buses</u>
1545		<u>Audiovisual Equipment</u>
1546		<u>Data Processing/Technology Equipment</u>
1549		<u>Other</u>
1600		<u>Bonded Debt</u>
1610		<u>Amounts to be Provided for Payment of Bond Principal</u>
1611		<u>Amounts to be Provided for Payment of Bond Principal</u> - As bonds are sold, this account is debited with the entire amount necessary to retire the bonds, the offset being a credit to Bonds Payable.
1620		<u>Amounts to be Provided for Payment of Bond Interest Future Coupon Maturities</u>
1621		<u>Amounts to be Provided for Payment of Bond Interest Future Coupon Maturities</u> - This account is debited with the entire amount of interest payable on outstanding bonds. The offset is a credit to Bond Interest Payable - Future Coupon Maturities.
2000		<u>Liabilities</u>
2100		<u>Current Payables</u>
2110		<u>Accounts Payable</u>
2111		<u>Accounts Payable - General</u> - This account represents actual liabilities for goods and services received, with the offset being a debit to an expenditure account.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING

SUBJECT: GENERAL LEDGER ACCOUNT DESCRIPTIONS

PROCEDURE NO: CDE-404

<u>CLASS</u>	<u>CODE</u> <u>DETAIL</u>	<u>DESCRIPTION</u>
2115		<u>Retained Percentage On Construction</u> - Liabilities occurring on construction contracts for that portion of the work which has been completed but part of the liability has not been paid pending final inspection, or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.
2120		<u>Loans Payable</u>
2121		<u>Loans Payable</u> - This account is credited with the proceeds from loans, with the offset being a debit to Cash in Banks (Account 1111).
2130		<u>Bonds Payable</u>
2131		<u>Bonds Payable - Current Year</u> - This account is credited as bonds become currently payable. The offset is a debit to Bonds Payable. When bonds are redeemed this account is debited with a corresponding credit to Amounts to be Provided for Payment of Bond Principal (Account 1611).
2140		<u>Bond Interest Payable</u>
2141		<u>Bond Interest Payable - Current Year</u> - This account is credited as bond interest becomes currently payable. The offset is a debit to Bond Interest Payable - Future Coupon Maturities (Account 2731).
2150		<u>Payroll Deductions and Withholdings</u> - All withholdings from the payroll are credited to this account, with the offset being a debit to an expenditure account. The following accounts are included in this classification.
2151		Federal Income Tax
2152		Old Age, Survivors and Disability Insurance (OASDI, "Social Security" Tax)
2153		Medicare Tax
2154		Medicare Tax - Teachers
2155		Missouri Income Tax
2156		Group Health and Life Insurance
2157		Credit Union
2158		Teacher Retirement
2159		Non-Teacher Retirement
2160		Tax Sheltered Annuity
2161		Other Deductions (Garnishments, Bankruptcy, etc.)
2162-69		Reserved for expansion of payroll deduction items.
2170		<u>Accrued Wages Payable</u>
2171		<u>Accrued Wages Payable</u> - This account is used to record liability for services received in the current budget period which will not be paid in cash until a later period. The offset is to an expenditure account. This account is debited when the checks are issued.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING CODES

SUBJECT: FUNCTION CODE DESCRIPTIONS

PROCEDURE NO: CDE-406

<u>CLASS</u>	<u>CODE</u> <u>DETAIL</u>	<u>DESCRIPTION</u>
	1351	Continued - or industrial occupation. Also included is training for certain semiprofessional occupations considered to be trade and industrial in nature.
	1360	<u>Other Vocational Programs</u>
	1361	<u>Other Vocational Programs</u> - Other Vocational Programs not specifically addressed above.
1400		<u>Student Activities</u>
	1410	<u>School-Sponsored Co-curricular Activities</u>
	1411	<u>Student Activities</u> - Direct and personal services for public school pupils, such as entertainment, publications, clubs, band and orchestra, that are managed or operated by the student body under the guidance and direction of an adult, and are not a part of the regular instructional program. These activities are characterized by being not-for-credit, other than school hours, interests of students and partially or wholly self-sustaining via dues and admissions. Code may be incremented sequentially by one to cover the various activities individually. Contracted non-route transportation expense incurred transporting students to and from activity or field trips are included here.
	1420	<u>School-Sponsored Athletics</u> - Under the guidance and supervision of the LEA staff, athletics that provide opportunities for students to pursue various aspects of physical education. Athletics normally involve competition between schools and frequently involve offsetting gate receipts or fees.
	1490	<u>Other</u> - Activities that provide students with learning experiences not specifically addressed above.
1600		<u>Adult/Continuing Education Programs</u> - Learning experiences provided by the LEA for the educational, vocational, recreational, cultural and/or enrichment of community members. These learning experiences promote involvement of community with the LEA and address the needs of the community while improving the quality of life for everyone. These are learning experiences designed to develop knowledge and skills to meet immediate and long-range educational objectives for community members who have completed or interrupted formal schooling. Programs include activities to foster development of fundamental tools of learning, to prepare for a new or different career, to prepare for an advanced education program, to upgrade occupational competencies, to develop skills and appreciation for special interests, to enrich the aesthetic qualities of life, and to provide school/community partnerships.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING CODES

SUBJECT: FUNCTION CODE DESCRIPTIONS

PROCEDURE NO: CDE-406

<u>CODE</u>	<u>DESCRIPTION</u>
<u>CLASS</u>	<u>DETAIL</u>
1610	<u>Adult/Continuing Basic Education Programs</u>
1611	<u>Adult Basic Education</u> - Learning experiences concerned with the fundamental tools of learning for adults. These are adults who have never attended school or have interrupted formal schooling and need this knowledge and these skills to raise their level of education for self-confidence, self-determination, for preparation for an occupation, and for functioning more responsibly as citizens in a democracy.
1620	<u>Advanced Adult Education</u>
1621	<u>Advanced Adult Education</u> - Learning experiences designed to develop knowledge, skills, appreciation, attitudes, and behavioral characteristics considered to be needed by adults. These are adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities and are preparing for post-secondary careers and/or post-secondary education programs.
1630	<u>Adult Occupational</u>
1631	<u>Adult Occupational</u> - Learning experiences which are concerned with skills and knowledge designed primarily to prepare learners for immediate employment in an occupation or cluster of occupations. (This is the same type program as that for secondary or junior college students but differs only in the type of pupils served: Adults.)
1640	<u>Adult Upgrading in Current Occupation</u>
1641	<u>Adult Upgrading in Current Occupation</u> - Learning experiences which are concerned with skills and knowledge designed primarily for extending or updating workers' competencies for occupations in which they are employed.
1650	<u>Adult Retraining for New Occupation</u>
1651	<u>Adult Retraining for New Occupation</u> - Learning experiences which are concerned with skills and knowledge designed primarily for preparation for employment in a new and different occupation.
1660	<u>Adult and Community Continuing Education</u>
1661	<u>Adult and Community Continuing Education</u> - Learning experiences which are concerned with skills and knowledge designed primarily for adults preparing for a subordinate occupation in addition to one's vocation. Such programs may be called avocational programs.
1670	<u>Community Education/Life Enrichment</u>
1671	<u>Community Education/Life Enrichment</u> - Learning experiences which are concerned with skills and knowledge designed primarily for enjoyment without regard to a vocation.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING CODES

SUBJECT: EXPENDITURE OBJECT CODE DESCRIPTIONS

PROCEDURE NO: CDE-407

VII. Expenditure Object Code Descriptions

Expenditure Object means the service or commodity obtained as a result of a specific expenditure. There are six object categories, each of which is further subdivided into sub-objects. Code numbers in the CLASS column and middle (subclass) column ending in zero are for subtotaling purposes only and are not used for posting transactions.

An expenditure object code is based on how a particular expenditure is paid out or planned to be paid out, whether as a salary, an employee benefit, a purchased service, a supply item, a capital outlay, or a debt expenditure. Detail expenditure object codes are further broken down in order to collect specific expenditure detail for detail reporting purposes. (See Part III-C of the Annual Secretary of the Board Report (ASBR) to see the distinction made in expenditure object code detail.)

<u>CODE</u>		<u>DESCRIPTION</u>
<u>CLASS</u>	<u>DETAIL</u>	
6100		<u>Salaries</u> - Amounts paid to employees of the LEA who are considered to be in a position of permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the LEAs.
6110		<u>Certificated Teacher Salaries</u>
6111		<u>Regular Salaries</u> - Full-time, contract, and prorated portions of the costs for work performed by teachers (defined in the broad sense of Section 168.104 (7),RSMo) of the LEA who are considered to be in positions of a permanent nature. If a supplemental duty is a part of the regular year contractual duties or required of the position, it should be included in this object. Career ladder is also included in this object. These salaries are subject to teacher retirement (Public School Retirement System of Missouri, PSRS). Certificated employees meeting the definition of "new-hire" (hired after March 31, 1986) are also subject to Medicare-only withholdings.
6120		<u>Certificated - Part-time</u>
6121		<u>Substitute and Other Part-time Teacher Salaries</u> - Certificated <u>teachers</u> who work less than full-time and perform work in positions of either temporary or permanent nature. Part-time teachers can be looked at as two distinct groups for retirement purposes. New, part-time, certificated employees (hired after August 28, 1997) as a teacher or employed in a non-teaching position, for <u>20 or more hours per week</u> shall be a member, on a pro-rata basis, in the Public School Retirement System (PSRS) of Missouri with the option of electing non-teacher retirement. If a part-time certificated employee (hired before August 28, 1997) has elected to be a member of the non-teacher retirement system, the election made at the time of employment is permanent and irrevocable, unless the employee becomes a full-time employee, at which time membership in PSRS is required by law. Certificated employees, employed to serve <u>less than 20 hours per week</u> are not eligible for coverage under either PSRS or NTRS, until such time as they become employed to serve 20 hours or more per week. Those certificated employees serving less than 20 hours per week are subject to OASDI and Medicare only. If a summer school teacher was a member of PSRS during the regular term, that employee would be subject to teacher retirement during summer school regardless of the number of hours worked.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING CODES

SUBJECT: EXPENDITURE OBJECT CODE DESCRIPTIONS

PROCEDURE NO: CDE-407

<u>CODE</u>	<u>DETAIL</u>	<u>DESCRIPTION</u>
6130		<u>Certificated - Supplemental</u>
6131		<u>Supplemental Pay</u> - Amounts paid for student activities sponsorship, coaching, stipends for curriculum development and other duties beyond the regular school day or school session. Subject to state and federal tax <u>and</u> teacher retirement whether or not the supplemental duty is related to the employee's regular position. Certificated employees meeting the definition of "new-hire" (hired after March 31, 1986) are also subject to Medicare-only withholdings.
6140		<u>Certificated Employees Unused Sick Leave and/or Severance Pay</u>
6141		<u>Certificated Employees Unused Sick Leave and/or Severance Pay</u> - Amounts paid to certificated employees at time of retirement or termination of employment for that portion of unused sick leave, vacation leave and early retirement buyout. No teacher retirement, full-social security, or Medicare-only deductions are to be made from these payments to certificated employees covered by the Public School Retirement System of Missouri. Federal and State tax deductions are to be made. When "new hire" certificated employees (hired after March 31, 1986 and subject to Medicare-only withholdings) qualify for these payments, Medicare will need to be withheld from the payment.
6150		<u>Classified Salaries - Regular</u>
6151		<u>Classified Salaries - Regular</u> - Full-time and prorated portions of the costs for work performed by typically non-certificated employees of the LEA and certificated employees who are employed in non-teaching positions of a permanent nature. (Includes <u>all teacher aides whether certificated or non-certificated</u> .) Generally subject to non-teacher retirement and OASDI and Medicare. Certificated employees employed to serve <u>less than 20 hours per week</u> are not eligible for coverage under either PSRS or NTRS, until such time as they become employed to serve 20 hours or more per week. Those certificated employees serving less than 20 hours per week are subject to OASDI and Medicare only. Full-time certificated employees regardless of position in the district <u>must</u> participate in the Public School Retirement System.
6160		<u>Classified Salaries - Part-time</u>
6161		<u>Classified Salaries - Part-time</u> - Cost for work performed by employees of the LEA who work in positions of less than full-time or of a temporary nature. Subject to non-teacher retirement and OASDI and Medicare. If less than 20 hours per week subject to OASDI and Medicare only.
6170		<u>Classified Employees Unused Sick Leave and/or Severance Pay</u>
6171		<u>Classified Employees Unused Vacation, Sick Leave and/or Severance Pay</u> - Amounts paid to classified employees at the time of retirement or termination of employment for that portion of unused sick leave or vacation leave. OASDI and Medicare withholdings along with federal and state income tax deductions are required.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING CODES

SUBJECT: EXPENDITURE OBJECT CODE DESCRIPTIONS

PROCEDURE NO: CDE-407

<u>CODE</u>	<u>DESCRIPTION</u>
<u>CLASS</u>	<u>DETAIL</u>
6200	<u>Employee Benefits</u> - Amounts paid by the LEA on behalf of employees. These amounts are not included in the gross salary, but are over and above. Such payments are fringe benefits; and while not paid directly to employees, nevertheless are part of the cost of salaries and benefits. These charges should be distributed to functions in accordance with the salary function of the employee or group of employees. If materiality prevents, charge to Function 1110, Elementary Instruction.
6210	<u>Teachers' Retirement</u>
6211	<u>Teachers' Retirement</u> - Amounts paid by the LEA to the Public School Retirement System (PSRS) of Missouri for certificated employees. This excludes employee contributions.
6220	<u>Non-Teacher Retirement</u>
6221	<u>Non-Teacher Retirement</u> - Amounts paid by the LEA to the Non-Teacher Retirement System (NTRS) of Missouri for eligible non-certificated personnel and certain certificated personnel who are less than full-time. This excludes employee contributions.
6230	<u>Old Age, Survivors and Disability Insurance (OASDI) and Medicare</u>
6231	<u>Old Age, Survivors and Disability Insurance (OASDI)</u> - Employers share paid by the LEA to the Missouri Retirement Fund for employees for Old Age, Survivors and Disability Insurance (OASDI).
6232	<u>Medicare</u> - The employer's share of the Medicare tax paid by the LEA for employees other than teachers. This excludes employee contributions.
6233	<u>Medicare - Teachers</u> - The employer's share of Medicare tax withholdings taken on all wages of "new hire" teachers. "New hire" teachers are members of the public school retirement system who were hired after March 31, 1986. This excludes employee contributions.
6240	<u>Employee Insurance</u>
6241	<u>Employee Insurance</u> - Employer's share paid by the LEA for various types of insurance. Health, dental, vision and annuities in lieu of life insurance are examples of insurance considered as salary for PSRS purposes. Salary protection plans and life insurance are examples of employer provided insurance that are <u>not</u> considered salary for PSRS purposes. This object code excludes employee contributions. (Detail may be used to identify specific benefits.)
6260	<u>Workers' Compensation Insurance</u>
6261	<u>Workers' Compensation Insurance</u> - Amounts paid by the LEA for workers' compensation insurance. There are no employee contributions.

MISSOURI FINANCIAL ACCOUNTING MANUAL

SECTION: ACCOUNTING CODES

SUBJECT: EXPENDITURE OBJECT CODE DESCRIPTIONS

PROCEDURE NO: CDE-407

<u>CODE</u>		<u>DESCRIPTION</u>
<u>CLASS</u>	<u>DETAIL</u>	
6270		<u>Unemployment Compensation</u>
6271		<u>Unemployment Compensation</u> - Amounts paid by the LEA for employee benefits under unemployment compensation plans which includes actual benefits paid or unemployment insurance. There are no employee contributions.
6290		<u>Other Employer Provided Services</u>
6291		<u>Other Employer Provided Services</u> - Amounts paid for employer-provided services such as baby-sitting, day care, parking, etc.
6300		<u>Purchased Services</u> - Amounts paid for services rendered <u>by personnel who are not on the payroll of the LEA</u> and for other services which the LEA may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided in order to obtain the desired result.
6310		<u>Professional and Technical Services</u> - Services which by their nature can be performed only by persons with specialized skills and knowledge. Included are the services of other school districts, architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, accountants, etc.
6311		<u>Instructional Services</u> - Tuition including vocational tuition to other districts and nonpayroll services performed by qualified persons directly engaged in providing learning experiences for pupils. Included are services of teachers and paraprofessional personnel and "Performance Contract" activities provided directly to a child.
6312		<u>Instructional Program Improvement Services</u> - Services performed by persons qualified to assist teachers and supervisors enhance the quality of the teaching process. This category includes curriculum consultants, in-service training specialists, etc., not on the payroll. <u>The IRS says that a person who is a regular employee may not be treated as a consultant (purchased service) by the same employer for other duties.</u>
6313		<u>Pupil Services</u> - Nonpayroll services of qualified personnel to assist pupils and their parents in solving mental and physical problems to supplement the teaching process.
6314		<u>Staff Services</u> - Services performed by persons qualified to assist in employing and assigning staff. This category includes specialists in personnel counseling and guidance.
6315		<u>Audit Services</u> - Management services by independent auditors in the examination of records, documents, internal control and financial statements of the district for the purpose of rendering an opinion on these statements. May also include other management services beyond the audit.